

VZCZCXYZ0010
RR RUEHWEB

DE RUEHNE #5303 3471117
ZNR UUUUU ZZH
R 131117Z DEC 07
FM AMEMBASSY NEW DELHI
TO RUCPDOG/USDOC WASHDC
RUEAHLG/HQ ICE IAO WASHINGTON DC
INFO RUEHC/SECSTATE WASHDC 9699

UNCLAS NEW DELHI 005303

SIPDIS

SIPDIS

USDOC FOR 532/OEA/M. NICKSON-D/JAY HATFIELD
USDOC FOR 3131/USFCS/OIO/ANESA/KREISSL
USDOC FOR 4530/MAC/ANESA/OSA
ICE HQ FOR STRATEGIC INVESTIGATIONS
STATE FOR EB/ESP

E.O. 12958: N/A

TAGS: [ETTC](#) [ETRD](#) [BEXP](#) [IN](#)

SUBJECT: EXTRANCHECK: POST-SHIPMENT VERIFICATION: HINDUSTAN
AERONAUTICS LTD., AIRCRAFT DIVISION, BANGALORE, LICENSE NUMBER
D364780

REF: USDOC 09453

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12(c) of the Export Administration Act.

¶2. On November 26, 2007, Export Control Officer (ECO) Paul Cushman and BIS FSN Prem Narayan conducted a Post-shipment Verification (PSV) at Hindustan Aeronautics Ltd. (HAL), Aircraft Division, Bangalore.

¶3. BIS requested a PSV at HAL, an entity under the Ministry of Defence (MOD), GOI. HAL was listed as the recipient of software for five or more axis contouring capability on hard drive 3-424-2284A03 controlled under ECCN 2D002. The license applicant was SUNAG CORPORATION (SUNAG), Montville, New Jersey.

¶4. ECO and FSN Narayan met with Jaya Krishnan (Krishnan), Chief Manager, Purchasing, Ajay Kumar (Kumar), Purchasing Officer and Gopal Srivastava (Srivastava), Senior Manager, Plant Maintenance, HAL. Randhir Jaiswal (Jaiswal), Deputy Secretary, Ministry of External Affairs (MEA), facilitated the meeting. Jaiswal was also present at the meeting.

¶5. HAL officials did not recall a previous visit by BIS officials to the HAL Aircraft Division. They were aware of certain BIS regulations. Krishnan provided a copy of the HAL Purchase Order, HAL End-User Certificate, Air Waybill and HAL Receiving Report After Inspection. SUNAG provided BIS export license conditions to HAL in the form of a copy of the license which HAL officials did not share with the BIS Team.

¶6. He stated that they purchased a Cincinnati 30V-5 Axis CNC profiler in 1991. Over time, the hard drive for the CNC profiler became inoperable. The hard drive on check replaced the inoperable hard drive. Srivastava confirmed the end-use stating that the CNC profiler is used to machine light alloys in the manufacture of parts and components for BOEING and AIRBUS.

¶7. After the meeting, the BIS Team was given a tour of the workshop. ECO was able to confirm the hard drive model number (3-424-2284A03), PC card number (3-533-0768G) and manufacturing date (01/22/2006) but could not see the hard drive, which was installed deep within the apparatus. In addition, the HAL Team presented the old hard drive for inspection. However, the model and serial numbers inscribed on it were smudged and unreadable.

¶8. HAL, established in 1940, is the largest public sector undertaking within the Department of Defence Production, MOD. HAL, currently has sixteen production units and nine research and design

centers in seven locations throughout India. Of the 3,300 aircraft HAL has manufactured, approximately 1,100 were based on indigenous design. To date, it has manufactured approximately 3,500 aircraft engines, and performed overhauls of more than 8,100 aircraft and 27,000 engines. In addition, HAL has played a significant role in India's space program by participating in the manufacture of Satellite Launch Vehicles such as PSLV (Polar Satellite Launch Vehicle), GSLV (Geo Stationary launch Vehicle), IRS (Indian Remote Satellite) & INSAT (Indian National Satellite). HAL's major clients include the Indian Air Force, Indian Army, Indian Navy, Indian Coast Guard, the Department of Space, and the Border Security Forces. It also supplies transport aircraft and helicopters to various airlines and Indian state governments. HAL employQapproximately 32,000 personnel.

19. Recommendation: At the time of this visit, the Aircraft Division of Hindustan Aeronautics Ltd. appeared to be a suitable recipient of the licensed commodities. To the degree that it was practical, the items on check were physically verified and were apparently being used in accordance with the license conditions.

WHITE